

JOINT MEETING OF
HEALTH & EDUCATION COMMITTEE
BUDGET COMMITTEE and SCHOOL BOARD

May 21, 2013

5:30 p.m.

Board of Education

MINUTES:

MEMBERS PRESENT:

Commissioner Rhonda Allen
Commissioner Carol Cook
Commissioner Will Jordan
Commissioner Jeff Phillips
Commissioner Chantho Sourinho
Commissioner Brad Turner
Commissioner Jeff Jordan, Chm

Commissioner Charlie Baum
Commissioner Joe F. Jernigan
Commissioner Robert Peay
Commissioner Steve Sandlin
Commissioner Doug Shafer
Commissioner Joyce Ealy, Chm

OTHERS PRESENT:

Ernest Burgess Lisa Nolen
Don Odom Jeff Sandvig
Terry Hodge Joyce Michaels
David Nipper Wayne Blair
Tim Tackett Coy Young
Aaron Holladay Jeff Davidson
Richard Zago Paula Barnes
James Evans Mike Snell
Helen Blankenship
Becky Shelton

Chairman J. Jordan presided and called the joint meeting of the Health & Education Committee, Budget Committee and School Board to order at 5:30 p.m. to include presentation of the 13/14 School Board budget.

MINUTES:

"Commissioner Sourinho moved, seconded by Commissioner Cook, to approve the minutes of the last meeting as mailed. This motion passed unanimously by acclamation."

COMMUNITY CARE REPORT:

The report to be presented at June meeting.

HEALTH DEPARTMENT REPORT:

The report to be presented at June meeting. However, Finance Director Nolen presented a proposed budget amendment of \$5,000 from Account #101-55110-413 (Drug & Medical Supplies) with \$3,500 to Account #101-55110-307 (Communications) and \$1,500 to Account #101-55110-335 (Maintenance & Repair Services - Building). Following discussion,

"Commissioner W. Jordan moved, seconded by Commissioner Allen, to approve the budget amendment of \$5,000 from Account #101-55110-413 (Drug & Medical Supplies) with \$3,500 to Account #101-55110-307 (Communications) and \$1,500 to Account #101-55110-335 (Maintenance & Repair Services - Building). This motion passed unanimously by roll call vote."

SPECIAL PROJECTS REPORT:

The report to be presented at June meeting.

SCHOOL BOARD BUSINESS AND AMENDMENTS:

Chairman J. Jordan suspended the Health & Education Committee meeting for the School Board to consider a General Purpose School Fund budget amendment and a Building Program Fund 189 budget amendment they had not previously been able to vote on.

The first budget School Board amendment for Health & Education Committee consideration was a General Purpose School, Fund 141 amendment to fund \$96,571 for a large activity bus for Stewart's Creek High School, transferring \$45,000 from the school's start up

funds to the Building Program in order to partially fund a small activity bus and transferred \$40,000 from 76100-799, Other Capital Outlay to the Building Program Fund. The \$96,571 for the big bus will wind up being funded from the School Board Reserve for Drivers' Ed after year end accounting entries are made. The \$85,000 being transferred to the Building Program, Fund 189, will be amended in the Building Program as follows: \$75,000 - vehicles and \$10,000 - equipment. SCHS has a copy machine allowance of \$30,000 in the Building Program equipment line. The principal has asked to apply this \$30,000 towards a small activity bus. The Building Program amendment basically leaves that \$30,000 in the equipment line. Following discussion,

"Commissioner Allen moved, seconded by Commissioner Turner, to amend \$96,571 from Fund Balance to 71100-599, Other Instructional Expenditures, for a large activity bus and to transfer \$85,000 to the Building Program with \$45,000 from 71100-429, Instructional Materials and Supplies and \$40,000 from 76100-799, Other Capital Outlay as presented. This motion passed unanimously by roll call vote."

The next amendment presented was the Fund 189 side of the \$85,000 transfer from the General Purpose School, Fund 141, amendment above. Following discussion,

"Commissioner Allen moved, seconded by Commissioner Cook, to approve an \$85,000 transfer from the General Purpose School Fund in order to fund \$75,000 for a Stewart's Creek High School vehicle and to increase the equipment line by \$10,000 as presented. This motion passed unanimously by roll call vote."

The Committee was next advised the Cafeteria Petty Cash Fund (Cash on Hand) accounts for the Centralized School Cafeteria (Fund 143) for each school nutrition location is currently approved for \$10,650 for the purpose of making change. It is recommended to increase the amount by \$1,200 for a total of \$11,850 for the 2013/14 school year to include the new Stewarts Creek High School cafeteria. Following discussion,

"Commissioner W. Jordan moved, seconded by Commissioner Allen, to approve the 2013/14 Cafeteria Petty Cash Fund (Cash on Hand) accounts for the Centralized School Cafeteria (Fund 143) for each school nutrition location in the amount of \$11,850. This motion passed unanimously by roll call vote."

The Committee was next presented the 2013/14 School Board budget of \$299,704,796 with projected revenues of \$286,293,321. The budget is currently out of balance by \$13,411,475. The School Board used \$9,252,756 from Fund Balance to fund the 2012/13 GPS budget.

The Committee was provided information on the average daily attendance for the State and Rutherford County over a ten year period as well as information on funding sources with a per pupil expenditure comparison. Mr. Odom advised due to sequestration the County may receive approximately \$400,000 less next year for Special Education. Mr. Odom advised the system has exemplary status and money is obviously being well spent. Rutherford County is the sixth largest district in the State.

Next year is the last year for The Race to the Top money. Mr. Sandvig advised the system may have to continue some of the maintenance of effort but it is not known for sure yet.

The Committee was provided a summary of the budget and where increases are. The budget as presented provides for 106.5 new certified positions, 3 new salaried positions and 22.3 new hourly positions for a 3.3% increase in staff. The budget has a 5.3% increase in Social Security, Medicare and retirement. 18.6% of the increase is in medical insurance and there is an increase of \$565,425 for the Affordable Care Tax.

Commissioner Sandlin advised in prior discussions it was anticipated \$4,000,000 from the ending fund balance could be used to start up Stewarts Creek. Mr. Sandvig advised there was \$2,500,000 in

recurring salary increase from the State Legislature and medical insurance increases which took up a large part of the ending fund balance. Mr. Sandvig advised the School Board had to go into the ending fund balance \$9,500,000 and this makes using any more problematic.

Tim Tackett advised the existing schools are being well cared for and the system has outstanding leadership at the Central Office including staff and teachers.

Mayor Burgess advised Mr. Odom, Mr. Sandvig and staff have done a good job presenting an understandable budget.

Commissioner Turner advised he would be voting no on the budget because of his concern on the overall County budget.

Commissioner W. Jordan advised he appreciated the straightforward budget with no fluff.

"Commissioner W. Jordan moved, seconded by Commissioner J. Phillips, to approved the School Board 2013/14 budget as presented. This motion passed by roll call vote with Commissioners Allen, Cook, W. Jordan, J. Phillips, Sourinho and J. Jordan voting "yes" and Commissioner Turner voting "no"."

The budget will be considered by the Budget Committee at its May 28, 2013 meeting at 5:30 p.m.

The Committee next considered the Centralized Cafeteria Fund, Fund 143 being advised it is a loose estimate at this point. Federal reimbursement rates have not been released yet. Based on March, 2013 results, the budget starts with \$18,290,500 in budgeted revenue and \$19,089,953 in budgeted expenditures. This budget is balanced by using \$799,453 from the fund's reserves, Restricted for School Nutrition. Equipment expenditures are being increased to \$1,200,000 in order to fund cafeteria renovations. Money in the cafeteria fund can only be used for cafeteria operations and equipment and the goal of the School Board is to have no more than three months of operating capital in the reserves. The School Board has to spend down the reserves in order to minimize excess reserves. As of March the School Board had \$1,253,443 in excess of this three month requirement. Following discussion,

"Commissioner Allen moved, seconded by Commissioner Turner, to approve the 2013/14 Centralized Cafeteria Budget, Fund 143, with \$18,290,500 in budgeted revenues, \$19,089,953 in budgeted expenditures and a reduction of \$799,453 in the fund's reserves, Restricted for School Nutrition as presented. This motion passed unanimously by roll call vote."

The Committee was next presented the proposed 2013/14 budget for Fund 177, Capital Projects, which has \$2,376,189 in projected revenues and \$2,465,958 in projected expenditures. The proposed budget uses \$89,769 from Account 34685, Committed for Capital Projects, to balance the budget. The projects include roofing Blackman High School, paving/stripping at Christiana Middle, LaVergne Middle, Oakland High and Stewartsboro Elementary, sewer work at Eagleville High and Buchanan Elementary and windows at Central Annex and Buchanan Elementary. Following discussion,

"Commissioner J. Phillips moved, seconded by Commissioner Sourinho, to approve the proposed 2013/14 budget for Fund 177, Capital Projects as presented. This motion passed unanimously by roll call vote."

There appearing to be no further business to come before the Committees, Chairman J. Jordan declared the meeting adjourned at 7:16 p.m.